15. RATIFICATION OF THE FOURTH MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 13 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION RATIFIES THE ACTION OF THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVING THE FOURTH MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973.

Attachment:
Calendar Item 13 (3 pages)

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CALENDAR ITEM

11/72
CVB

13.

RATIFICATION OF THE FOURTH MODIFICATION
OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach, in accordance with Section 5(g), Chapter 138/1964, 1st E.S., has requested Commission approval of the Fourth Modification of the Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1972 through June 30, 1973).

Pursuant to Section 5(g), Chapter 138/1964, 1st E.S., the Executive Officer, by letter dated November 16, 1972, approved the Fourth Modification of the 1972-1973 Plan and Budget, subject to ratification by the Commission.

PART II.A.2. of the 1972-1973 Plan and Budget forecast a general need for additional produced water handling facilities on Island Grissom, but funding was deferred. In order to provide necessary and effective control by the State, the funding for such expenditures is being requested only upon completion of plans for the purchase of specific equipment or its installation. The Third Modification, approved by the Commission at its meeting of August 31, 1972, provided $140,000 for the purchase of two filters and related equipment, as the first increment of the produced water handling facilities on Island Grissom.

This Fourth Modification, the second produced water handling facility increment on Island Grissom, provides $308,000 in Budget Item III.A.2.b.(10) Produced Water Handling. This is for the purchase of two flotation separators, two free-water separators, a motor control center, an air blower unit, six skim basin pumps and cathodic rectifiers. Funds for these facilities will be provided by transfer from Budget Item III.B.1.b. Mining Rights Taxes, in which surplus funds exist. Such surplus is the result of the settlement of Long Beach tidelands ad valorem tax litigation, for which the Commission adopted a resolution on October 26, 1972.

Additionally, this Fourth Modification reclassifies $63,000 of costs related to the start-up of the Stretford hydrogen sulfide removal plant. These costs, originally charged as expense, are now deemed to be plant investment costs. By this approval, budget funds are transferred from expense Budget Item III. B.2.(12), Sulfur Removal, to investment Budget Item III.A.2.b.(7), Gas Systems Treating.

BUDGET, PART III	Current Budget	This Modification	Adjusted Budget
A. ESTIMATED EXPENDITURES FOR INVESTMENT			
2. FIELD AND WELL FACILITIES			828

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b. Gathering, Treating, Storage & Distribution			
(7) Gas Systems Treating	$ 8,000	$ 63,000	$ 71,000
(10) Other Systems Produced Water Handling	$ 491,000	$308,000	$ 799,000
B. ESTIMATED EXPENDITURES FOR EXPENSE			
1. UNIT TAXES & LICENSES			
b. Mining Rights Taxes	$ 7,714,000	($308,000)	$ 7,406,000
2. OPERATING EXPENSE			
b. Field Systems			
(12) Sulfur Removal	$ 560,000	($ 63,000)	$ 497,000
TOTAL INVESTMENT	$ 7,605,000	$371,000	$ 7,976,000
TOTAL EXPENSE	$37,430,000	($371,000)	$37,059,000

The total 1972-1973 Budget remains unchanged.

The Division has reviewed this Fourth Modification and finds the proposed installation of additional produced water handling facilities and budget transfers desirable.

IT IS RECOMMENDED THAT THE COMMISSION RATIFY THE ACTION OF THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1st E.S., APPROVING THE FOURTH MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972 THROUGH JUNE 30, 1973.

In accordance with PART IV.A.4.c. of the 1972-1973 Plan and Budget, the following Plan Supplements, for additional projects under $100,000, have been approved by the Manager, Long Beach Operations, State Lands Division, and are being reported and incorporated in the Plan. They require no action by the Commission. Funds for these supplemental projects have been provided by transfers within the Budget. These are:

Plan Supplement No. 3	Extend Island Freeman steam lines, $9,000.
Plan Supplement No. 5	Install three defoamer entry boots on clean-up tanks on Island Freeman, $7,300.

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Plan Supplement No. 6 (rev.)	Purchase one 2000 KVA transformer for Island Grissom, $12,000.
Plan Supplement No. 7	Modify dry oil gathering and separating systems on Island Freeman, $38,000.